reimbursement of 5% point on interest charged by designated nodal agencies and co-opted banks/Financial Institutions for a project of technology upgradation in conformity with the scheme.

N.K. Singh Committee on Textile Sector

175. DR.T. SUBBARAMI REDDY: Will the Minister of TEXTILES be pleased to state:

(a) whether the N.K. Singh Committee on textile sector has suggested creation of an Asset Reconstruction Fund with a corpus of Rs. 3,000 crore;

(b) if so, what are the other recommendations made;

(c) whether this will enable the textile industry to deal with the massive non-performing portfolio built up over the last 10-15 years;

(d) to what extent the Committee's recommendations will help to remove the sick textile units in the country; and

(e) by when impact of implementation of the recommendations will be known or felt?

THE MINISTER OF STATE INTHE MINISTRY OFTEXTILES (SHRI BASANGOUDA R. PATIL):

(a) to (e)The Steering Group constituted under the chairmanship of Shri N.K. Singh has submitted its Report on Investment and Growth in Textile Industry classified as Secret to the Government. No decision on the recommendations have been taken by the Government so far.

Credit Facilities to Handloom Sector

176. SHRI CO. POULOSE: Will the Minister of TEXTILES be pleased to state:

(a) whether it is a fact that Government has decided to ensure the availability of credit facilities to handloom sector of the country to desirable level through the commercial banks and other financial institutions;

(b) if so, the details thereof;

(c) whether it is also a fact that Government has.decided to enhance the Tenth Plan Outlay for various schemes in the handloom sector;

(d) if so, the details along with the funds earmarked to each State; and

(e) the export performance of the handloom sector during the last three years and the new measures Government have taken in order to boost handloom export?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI BASANGOUDA R. PATIL) (a) and (b) Yes, Sir. Refinance assistance is provided by National Bank for Agricultural artd Rural Development (NABARD) to State Cooperative Banks for financing production and marketing activities of Primary Weavers' Cooperative Societies and for procurement and marketing activities of Apex Weavers' Cooperative Societies. The Scheme of financing Primary Handloom Weavers' Cooperative Societies (PHWCS) by the commercial Banks with the refinance assistance from NABARD to finance the working capital requirements of PHWCS in areas where District Cooperative Banks (DCBs) are weak, was introduced in the year 1995-96. Refinance facilities are provided by the NABARD at rates prescribed in this regard by it. Interest subsidy provided by State Governments is claimed by the societies directly from the State Governments concerned. Assistance is provided to the Apex Weavers' Societies under NABARD Scheme of refinance for trading in yarn through State Cooperative Banks. The requirement of the guarantee from the State Government was waived from 1.4.1997 for providing refinance to State Cooperative Banks in respect of loans provided by them for financing PHWCS/ Apex Weavers' Cooperative Societies for their working capital requirements. The office of the Development Commissioner for Handlooms has been taking periodical meetings with the representatives of Reserve Bank of India, National Bank for Agriculture and Rural Development (NABARD), Small Industries Development Bank of India (SIDBI), Commercial and Co-operative Banks and representatives from the Department of Handlooms/Textiles of State Governments, to review the flow of credit to the Handloom sector and to suggest suitable measures.

State-wise short-term credit limits sanctioned to State Cooperative Banks by NABARD for production and marketing activities of Weavers' Cooperative Societies during the 9th Plan have been as under:

(Rs. in crore)

Sl.No , Name of the State	Limits Sanctioned				
	1997-98	1998-99	1999-2000	2000-01	2001-02
1. Andhra Pradesh	98.37	76.40	78.53	35.28	33.68
2. Bihar	0.51	_	_	_	_
3. Gujarat	0.50	1.00	1.00	1.00	1.00
4. Himachal Pradesh	_	1.60	0.00	0.00	_
5. Karnataka	5.80	3.89	3.09	1.76	4.54
6. Kerala	51.04	57.84	47.52	53.68	47.81
7. Madhya Pradesh	17.03	9.03	10.81	10.90	4.42
8. Maharashtra	0.90	0.00	0.36	0.00	_
9. Orissa	74.60	78.33	63.28	21.78	25.81
10. Tamil Nadu	416.90	455.53	507.34	491.39	497.18
11. West Bengal	69.54	69.22	70.24	65.65	60.79
12. Pondicherry	-	0.00	4.35	4.84	5.00
13. Uttar Pradesh	8.40	-	-	-	-
TOTAL	743.59	752.84	786.52	686.28	680.23

(c) and (d)Yes, Sir.TheTenth Plan allocation for the handloom sector schemes is Rs. 625.00 crore as against the allocation of Rs. 452.50 crore for the 9th Plan. No State-wise allocation is made. Releases of financial assistance to the States are made under various handloom schemes based upon the merit of the proposals received from the States.

(e) The export performance of cotton handloom fabrics and made-ups during the last three years has been as under:—

1999-00	Rs. 1980.04 Crore
2000-01	Rs. 2127.44 Crore
2001-02	Rs. 2064.94 Crore
2002-03	Rs. 1308.15 Crore (April-September 2002)

To boost the handloom export from the country, the Handloom Export Promotion Council has been functioning as a nobal agency for export

promotion efforts related to the cotton handloom textiles sector.The Council has been providing to its members a wide range of services which, *inter-alia,* include the following:-

* Dissemination of trade information and intelligence.
* Publicity abroad for Indian handloom products.
* Facilitating product diversification and adaptation to meet modem market requirements.
* Providing impetus to modernisation of handlooms for the export market.
* Provision of design inputs to promote export of handloom products.
* Organisation of business missions/buyer-seller meets and participation in trade fairs abroad.
* Consultancy and guidance services for handloom exporters.
* Liaison with the Government of India on all procedural and policy matters relevant to the handloom export trade.
* Dealing with trade complaints pertaining to handloom exports.
* Liaison with import promotion and commercial agencies abroad for the benefit handloom exporters.

The measures taken by the Government to boost export of handloom products are as under:

(a) Providing financial assistance for organising Buyer-Seller Meets in important international markets by the Handloom Export Promotion Council;

(b) Providing financial assistance to National level Handloom organisations for participation in leading international fairs/ exhibitions in selected countries.

(c) Technical upgradation of looms and various production processes;

(d) Assistance made available to the exporters under Duty Entitlement Pass Book Scheme/Duty Drawback Scheme;

(e) Technology Upgradation Fund to upgrade technology;

(f) Supply of Hank\arn at Millgate Prices through National Handloom Development Corporation to handloom production centres;

(g) Assistance provided under the Development of Exportable Products and their Marketing scheme to build up production capabilities through diversification of products, design development and through publicity and marketing abroad;

(h) Updating of website at frequent intervals to update information to the buyers about the handloom products; and

(i) Inviting buyers from abroad to visit various handloom production centres in India.

Supply of Hank Yarn to Handloom Sector

177.SHRI RAMA MUNI REDDY SIRIGIREDDY:Will the Minister of TEXTILES be pleased to state:

(a) whether it is a fact that the Ministry has cut mandatory Hank Yarn obligation for spinning mills from 50 per cent to 40 per cent in the third week of January, 2003;

(b) if so, the reasons therefor;

(c) whether the Ministry is planning to introduce any alternative mechanism for supplying hank yam to handloom sector; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI BASANGOUDA R. PATIL) (a) Yes, Sir.

(b) to (d) On the request of a large number of Textile Mills in India as well as Textile Mills Associations, large inventories with Textile Mills and in view of adequate supply of Hank Yarn for the comsuption of handloom sector, the Government reviewed the Hank Yarn Obligation Order, in accordance with the previsions of Para 18 of the National Textile Policy, and decided to reduce the hank yam obligation from the existing level of 50% to 40% of total yarn packed for civil consumption during each quarter and in every subsequent quarter, *w.e.f.* 1.1.2003. Since no shortage of hank yarn to the handloom sector is reported upto the fortnight ending 31.1.2003, need for any alternative mechanism for supplying hank yam to handloom sector is not envisaged.